EFSI Operation Scoreboard[1]

PROJECT PRESENTATION	
Project name	DIGITAL INTEGRATED TEXTILE MANUFACTURING
Promoter and financial intermediary	VANDEWIELE NV
Country of implementation	Belgium, France, Germany, Italy, Sweden
Summary project description	A crucial part for sustained competitiveness in the textile machine manufacturing industry is research, development and innovation (RDI). This is accentuated by the challenging market in the overall textile industry, where, over the last decade, the competition from local machine manufacturers, particularly from East Asian players, has increased, putting additional pressure on the promoter. Adding to that, there is a strong pressure on environmental sustainability aspects and on reducing the environmental footprint, and it becomes clear that technological leadership and embracing digital transformation can be strong differentiators to the competition. The key transformational and influential factors in the textile manufacturing industry are: (i) Industry 4.0 and the digital transformation, digitally integrated solutions, ranging from digitalising internal processes to supply chain management and customer experience. For Van de Wiele (VdW), it means embracing digitally integrated solutions to develop more efficient and high-tech high value-added textile production machinery. Having machinery and equipment that are connected with products and raw material allows for real-time and continuous status, planning, preparation and evaluation updates, which substantially improves access and control of production processes; (ii) Environmental sustainability and climate change, following increased social and political awareness putting climate action and environment sustainability at the front. For VdW, this translates into improving efficiency and reducing waste - and by implementing Industry 4.0 concepts, hence working in a digitally integrated way, textile products will be produced more fluently and with less work in process, reducing working capital need and reducing waste. (iii) Increased customization and high value added products. The market is increasingly demanding high production at lowest cost, shorter

[1] This Scoreboard of indicators reflects the information presented to the EFSI Investment Committee (IC) for its decision on the use of the EU guarantee for this operation. Therefore, the document does not take into account possible developments that could have occurred after this decision.
Parts of this document that fall under the exceptions for disclosure defined by the EIB Group Transparency Policy, notably under articles 5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].

	cycle times, and smaller batches, which requires more flexible, agile productions systems - easily adjustable for constantly changing customer needs. This is something Industry 4.0 and digital solutions are well suited for. The importance of R&D is highly understood by the promoter and is incorporated in its resilience and growth strategy. Vandewiele's vision is focused on the three interlinked areas of: i) thinking forward - a stimulus to look ahead and anticipate the future; ii) setting new standards to drive technological innovation; and iii) digital transformation. The project supports this vision and will help the promoter to maintain its RDI investments at a high level, support its capability to leverage on RDI and further foster the overall innovation culture across the company. The project outcomes are crucial to maintain and strengthen the technology and innovation leading position of the promoter and support the EU textile industry as a whole. Ultimately, the project aims at safeguarding the company's competitiveness and supporting its competencies for the future, thus, securing its position as an employer of 2,806 people worldwide, of which roughly 60% in Europe (1,684). The project covers the promoter's RDI as well as advanced manufacturing capital expenditures in Europe for the years 2020 to 2023. The major part of the RDI activities concerns the development of digitally integrated solutions for textile manufacturing, and more efficient, technically advanced and high value-added textile production machinery. The project will support the digitalisation of a traditional industry as well as the creation of innovative products, at the same time aiming at lowering environmental footprint through reduced energy, waste and raw materials. The advanced manufacturing investments aim at the further automation of internal production processes, as well as the integration of production and supply chain processes.

PROJECT PILLAR ASSESSMENT

Pillar 1

Contribution to EU policy	Moderate
Cross-cutting objectives	
Climate Action	7.00%
EFSI	
Contribution to EFSI	100.00%
EFSI: Research, development and innovation	100.00%
Projects that are in line with Horizon 2020	16.00%
Other research, development and innovation	84.00%

Pillar 2

Quality and soundness of the project	Good
1. Growth	[...]
2. Promoter capabilities	[...]
3. Sustainability	[...]
4. Employment	[...]

This pillar evaluates the quality and soundness of the operation. This pillar is composed of up to four indicators, as relevant, among which:

(i) "Growth" i.e. for example and where relevant the economic rate of return ('ERR'), which considers the project's socioeconomic costs and benefits, including its spillover effects;

(ii) "Promoter capabilities" i.e. the capacity of the promoter/intermediary to implement the project and create the expected impact at the [final] beneficiary level;

(iii) "Sustainability" i.e. environmental and social sustainability[2];

(iv) "Employment" i.e. the project's direct employment effect;

(v) "Increasing access to finance and improving financing conditions including for final beneficiaries".

Pillar 3

EIB Technical and financial contribution to the project	Significant
1. Financial contribution	[...]
2. Financial facilitation	[...]
3. Advice	[...]

This pillar measures the EIB's particular contribution to the project and its financing scheme in the form of financial and non-financial benefits which go beyond what commercial players would normally be able to offer. This dimension of value added is assessed through up to three indicators:

(i) "Financial Contribution" i.e. improving the counterpart's funding terms compared to market sources of finance (interest rate reduction and/or longer lending tenor);

(ii) "Financial Facilitation" i.e. helping to attract private financiers (for example through positive signaling effects), promoting synergies in co-financing with other public sources of funds including National Promotional Banks or EU financial instruments;

(iii) "Technical Contribution and Advice" i.e. providing advice with a view to optimizing the financing package (financial structuring), or technical advisory services in the form of expert input / knowledge transfer - provided in-house by the EIB or in the form of assignments to external consultants - to facilitate the preparation or implementation of a project.

[2] For additional information on the EIB's assessment of the project's environmental and social aspects, please refer to the project's Environmental and Social Data Sheet (ESDS) published on the EIB website.

Pillar 4 - Complementary indicators

Additionality

In line with the EFSI objective of supporting research, development and innovation, including projects that are in line with Horizon 2020, the operation will support RDI related to digital integration of textile manufacturing in Belgium and other European countries. The project will enable the borrower to retain its leading knowledge and long-term competitiveness in the relevant market segments and thereby contribute to Europe's RDI, competitiveness and economic growth helping maintain highly skilled staff engaged in RDI activities in Europe.

The project addresses market failure related to insufficient investments in RDI despite positive externalities. The positive externalities are linked to knowledge and technology spillovers arising from investments in RDI. Moreover, collaboration with industrial partners, universities, research centres and customers adds even further positive spillover effects to the wider industry. Furthermore, EIB's support to the project addresses sub-optimal investment situation linked to the lack of long-term capital to finance inherently risky private sector RDI.

The operation falls under the EIB Special Activities, in particular due to the long tenor of the financing provided, the RDI intensive nature of the operation as well as the volatile and highly competitive nature of the markets in which the borrower operates. The EIB would not be able to provide such type of financing support during the period in which the EU guarantee can be used, or not to the same extent, without EFSI.

The envisaged financing is expected to result in a quality stamp on the RDI programme providing comfort and a positive signalling effect to the market on the soundness of the company's strategy. This will enable the borrower to attract additional long-term financing from other banking lenders in the current financial context, characterised by major uncertainties caused by the Coronavirus outbreak.

Set of indicators related to the macroeconomic environment

Belgium - Economic environment

Economic Performance

	BE 2018	EU 2018	US 2018	BE 2001-2007
GDP per capita (EUR, PPS)	35,670.36	30,935.11	43,569.11	36,134.50
GDP growth (%)	1.43	1.97	2.86	2.15
Potential GDP growth (%)	1.44	1.60	2.24	2.02
Output gap (% of potential GDP)	0.24	0.62	0.74	0.57
Unemployment Rate (%)	5.80	6.60	3.90	7.97
Unemployment Rate (%) - Y/Y change (% points)	-0.40	-0.60	-0.20	0.10
Bank-interest rates to non-financial corporations (%)	1.34	1.26	--	4.33
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.02	-0.06	--	-0.34
Investment rate (GFCF as % of GDP) - Total	23.81	20.54	20.84	21.80
Investment rate (GFCF as % of GDP) - Public	2.40	2.86	3.31	2.09
Investment rate (GFCF as % of GDP) - Private	21.41	17.68	17.53	19.71

General Sector Indicators

	2014	2015	2016	2017	EU (latest available)
Value added in Manufacture of machinery and equipment n.e.c. (% of total VA)	1.01	0.95	0.93	0.95	1.86
Employment in Manufacture of machinery and equipment n.e.c. (% of total employment)	0.73	0.67	0.67	0.65	1.33

France - Economic environment

Economic Performance

	FR 2018	EU 2018	US 2018	FR 2001-2007
GDP per capita (EUR, PPS)	31,988.40	30,935.11	43,569.11	31,052.71
GDP growth (%)	1.58	1.97	2.86	1.90
Potential GDP growth (%)	1.21	1.60	2.24	1.78
Output gap (% of potential GDP)	0.36	0.62	0.74	1.69
Unemployment Rate (%)	8.90	6.60	3.90	8.50
Unemployment Rate (%) - Y/Y change (% points)	-0.20	-0.60	-0.20	-0.19
Bank-interest rates to non-financial corporations (%)	1.37	1.26	--	3.53
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.03	-0.06	--	0.00
Investment rate (GFCF as % of GDP) - Total	22.92	20.54	20.84	21.76
Investment rate (GFCF as % of GDP) - Public	3.39	2.86	3.31	3.91
Investment rate (GFCF as % of GDP) - Private	19.53	17.68	17.53	17.84

General Sector Indicators

	2014	2015	2016	2017	EU (latest available)
Value added in Manufacture of machinery and equipment n.e.c. (% of total VA)	0.65	0.62	0.61	0.60	1.86
Employment in Manufacture of machinery and equipment n.e.c. (% of total employment)	0.55	0.54	0.53	0.51	1.33

Germany - Economic environment

Economic Performance

	DE 2018	EU 2018	US 2018	DE 2001-2007
GDP per capita (EUR, PPS)	37,956.14	30,935.11	43,569.11	33,490.42
GDP growth (%)	1.43	1.97	2.86	1.40
Potential GDP growth (%)	1.63	1.60	2.24	1.32
Output gap (% of potential GDP)	0.69	0.62	0.74	-0.17
Unemployment Rate (%)	3.30	6.60	3.90	9.43
Unemployment Rate (%) - Y/Y change (% points)	-0.30	-0.60	-0.20	0.06
Bank-interest rates to non-financial corporations (%)	1.02	1.26	--	4.11
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.13	-0.06	--	-0.04
Investment rate (GFCF as % of GDP) - Total	20.77	20.54	20.84	19.91
Investment rate (GFCF as % of GDP) - Public	2.33	2.86	3.31	2.05
Investment rate (GFCF as % of GDP) - Private	18.44	17.68	17.53	17.87

General Sector Indicators

	2014	2015	2016	2017	EU (latest available)
Value added in Manufacture of machinery and equipment n.e.c. (% of total VA)	3.53	3.49	3.47	--	1.86
Employment in Manufacture of machinery and equipment n.e.c. (% of total employment)	2.66	2.66	2.63	--	1.33

Italy - Economic environment

Economic Performance

	IT 2018	EU 2018	US 2018	IT 2001-2007
GDP per capita (EUR, PPS)	29,550.74	30,935.11	43,569.11	31,924.98
GDP growth (%)	0.86	1.97	2.86	1.17
Potential GDP growth (%)	0.46	1.60	2.24	1.05
Output gap (% of potential GDP)	-0.12	0.62	0.74	1.55
Unemployment Rate (%)	10.40	6.60	3.90	7.64
Unemployment Rate (%) - Y/Y change (% points)	-0.50	-0.60	-0.20	-0.43
Bank-interest rates to non-financial corporations (%)	1.05	1.26	--	3.81
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.09	-0.06	--	0.02
Investment rate (GFCF as % of GDP) - Total	17.97	20.54	20.84	21.07

Investment rate (GFCF as % of GDP) - Public	2.11	2.86	3.31	2.88
Investment rate (GFCF as % of GDP) - Private	15.86	17.68	17.53	18.19

General Sector Indicators

	2014	2015	2016	2017	EU (latest available)
Value added in Manufacture of machinery and equipment n.e.c. (% of total VA)	2.36	2.36	2.39	2.40	1.86
Employment in Manufacture of machinery and equipment n.e.c. (% of total employment)	1.89	1.88	1.90	1.90	1.33

Sweden - Economic environment

Economic Performance

	SE 2018	EU 2018	US 2018	SE 2001-2007
GDP per capita (EUR, PPS)	37,116.99	30,935.11	43,569.11	34,958.53
GDP growth (%)	2.34	1.97	2.86	3.03
Potential GDP growth (%)	2.15	1.60	2.24	2.79
Output gap (% of potential GDP)	0.50	0.62	0.74	0.60
Unemployment Rate (%)	6.40	6.60	3.90	6.69
Unemployment Rate (%) - Y/Y change (% points)	0.00	-0.60	-0.20	0.16
Bank-interest rates to non-financial corporations (%)	1.19	1.26	--	3.59
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.02	-0.06	--	1.25
Investment rate (GFCF as % of GDP) - Total	25.35	20.54	20.84	22.39
Investment rate (GFCF as % of GDP) - Public	4.80	2.86	3.31	4.16
Investment rate (GFCF as % of GDP) - Private	20.55	17.68	17.53	18.23

General Sector Indicators

	2014	2015	2016	2017	EU (latest available)
Value added in Manufacture of machinery and equipment n.e.c. (% of total VA)	1.85	1.92	1.92	--	1.86
Employment in Manufacture of machinery and equipment n.e.c. (% of total employment)	1.58	1.54	1.47	--	1.33

- Country average for "GDP per capita (EUR, PPS)" is calculated in real terms

- EU value for "Bank-interest rates to non-financial cooperations" corresponds to Euro Area average; Country average is the simple average between 2003 and 2007

- The EU value is displayed as the value in the year that corresponds to the latest value of the indicator in a particular country

Other indicators[3]

Key project characteristics	Expected value at PCR
Start of works	01.01.2020
End of works	31.12.2023
Project investment cost [MEUR]	247.60 MEUR
EIB/EFSI eligible investment mobilised [MEUR]	247.60 MEUR
External EFSI multiplier	2.48
External EIB (non-EFSI) multiplier	
Amount of private financing [MEUR]	147.60 MEUR
Quick start (% of expenditure during 2015-2018) [%]	
Co-financing with national promotional banks [MEUR]	0.00 MEUR
Co-financing with structural funds (ESIF) [MEUR]	0.00 MEUR
Co-financing with other EU instruments (i.e. Horizon 2020, Connecting Europe Facility, etc) [MEUR]	
Energy efficiencies realised [MWh/a]	0.00 MWh/a
Climate Action indicator	7.00% Mitigation - RDI (transversal)
Employment during construction - temporary jobs [person years]	1,100 person years
Employment during operation - new permanent jobs [FTE]	0 FTE

[3] For additional information on the EIB's assessment of the project's environmental and social aspects, please refer to the project's Environmental and Social Data Sheet (ESDS) published on the EIB website. The abbreviation PCR stands for Project Completion Report. If applicable, a difference between the amount of Project investment costs and EIB/EFSI eligible investment mobilized might derive from the fluctuation of the underlying exchange rate.